weekly economic review

November 1, 2013

Average Weekly Earnings

Construction industry leads growth

In August, average weekly earnings were up 1.3% to $1,118 from September. Despite the monthly uptick, the year-over-year increase of 1.4% was the smallest since January 2010. This reflects an elevated base period, as earnings spiked in August 2012, and a leveling off of earnings since May (see chart).

The construction industry is an outlier, Average weekly earnings are growing faster in the construction industry than other major sectors of the economy, increasing 8.4% on a year over year basis. Construction earnings are up 6.4% year-to-date. Some of this might be due to reconstruction efforts after the flood, which has increased demand for construction workers.

Nationally average weekly wages rose 0.4 % over July to $918. The gap between Alberta and the national average increased to $199 from $189 in the prior month.This time last year the gap stood at $196.

Rigs Drilling

More rigs active

October marks the third consecutive month of gains in the number of active drilling rigs, a reversal of the downward trend in the latter half of 2012 and early 2013. In Alberta, there were an average of 239 rigs dirilling in October, up 2.0% over October 2012. Utilization rates climbed 3.7 percentage points compared to last year.

Nationally, active rig counts climbed 1.7%.

Rail Transport of Crude Products

More barrels moving by rail

Transportation of crude oil products by rail continues to ramp up. The amount of crude porducts transported out of Western Canada rose to 743.5 thousand tonnes in August, close to an all-time high. This is the 20th consecutive month of at least double digit year-over-year growth, with tonnage increasing 34.3% above August 2012 levels. Year-to-date tonnage of crude products by rail is up 84.1% over the same time last year.

Bankruptcies

Insolvencies trend lower

Alberta has reached a new record low for business bankruptcies, with only 7 businesses facing insolvency in August, down 30.0% over the same month last year. Likewise, fewer households are filing, with consumer bankruptices dipping 16.5% over August 2012.

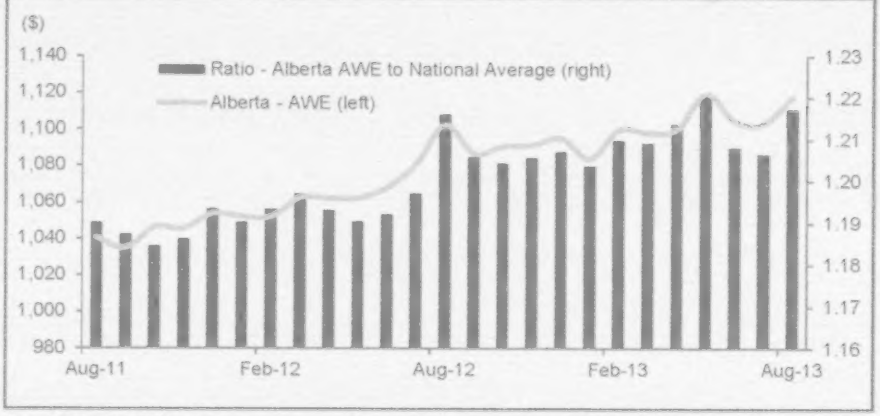
At the national level, 4.9% more bankruptcies were filed for businesses compared to a year ago, while consumers declared 4.1% less.

Real GDP by Industry

Robust growth fueled by oil and gas

After a decline in June, real GDP has been strong, rising 0.6% in July and 0.3% in August. August growth was driven by a 2.8% increase in oil and gas extraction industry, the third consecutive increase after supply disruptions caused declines in April and May. The August increase in oil and gas extraction GDP was mostly due to a 5.6% increase in nonconventional oil extraction, though conventional oil and gas extraction also increased, up 0.9%.

Alberta Average Weekly Earnings



Source: Statistic Canada

Closing Price	Oct. 24, 2013	Oct. 31, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	95.95	95.89	96.92
WTI Oil ($US/bbl)	97.11	96.38	100.08
NYMEX Natural Gas($US/MMBtu)	3.63	3.58	3.77

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Alberta Economic Indicators

Population	2011	2012	2013YTD	May	June	July	Aug	Sept	Oct
Population (000's)	3,790	3,889	4,025	..	..	4,025	..	..	..
y/y % change	1.5	2.8	3.5	..	..	3.5	..	..	..
Net Interprovincial Migration[1]	8,443	27,652	52,677	..	..	13,791	..	..	..
Net International Migration[1]	19,411	40,842	52,561	..	..	20,487	..	..	..
Net Non-permanent Residents[1]	-7,251	10,085	19,560	..	..	10,472	..	..	..
Labour Market									
Employment (000's), SA	2,094	2,150	2,199	2,201	2,201	2,217	2,232	2,236	..
y/y % change	3.8	2.7	2.6	2.3	2.6	3.0	3.6	3.7	..
Unemployment Rate (%), SA	5.5	4.6	4.6	4.8	5.0	4.5	4.8	4.3	..
Participation Rate (%), SA	73.7	73.4	73.0	73.3	73.1	73	73.6	73.1	..
NEW: Average Weekly Earnings ($), SA	1,035.75	1,072.98	1,103.21	1,119.34	1,104.47	1,103.08	1,117.58	..	..
y/y % change	4.4	3.6	3.3	5.4	3.4	2.1	1.4	..	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.4	2.3	2.3	2.2	1.4	1.3	..
Excluding food and energy	0.8	1.4	1.3	1.1	1.6	1.9	1.6	1.5	..
Non-Res Building Cons Price Index[2] (y/y % change)	3.4	3.8	1.1	..	0.9	..	..	..	..
Farm Product Price Index (y/y % change)	18.1	6.3	4.9	5.9	5.3	..	..	..	..
Crops	19.0	6.7	8.0	7.2	5.9	..	..	..	..
Livestock	17.2	5.9	2.2	4.8	4.7	..	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.5	33.3	36.1	42.5	38.1	35.4	28.5	30.5	..
y/y % change	5.0	30.7	8.7	26.7	12.8	6.6	-2.7	-8.7	..
New Housing Price Index[3] (y/y % change)	0.4	1.3	2.7	2.7	2.9	3	3.3	..	..
Edmonton	0.9	0.9	0.6	0.2	0.6	0.6	0.8	..	..
Calgary	-0.1	1.7	4.9	5.3	5.3	5.8	6.1	..	..
MLS Average Resale Prices ($ 000's)	352.7	362.0	373.4	375.6	376.5	378.7	387.2	384.3	..
y/y % change	0.5	2.6	5.2	2.9	4.4	4.9	6.6	7.8	..
Edmonton ($ 000's)	324.2	332.7	342.4	339.6	344.7	340.4	347.5	348.1	..
y/y % change	-0.7	2.6	3.4	1.1	3.7	2.9	4.2	8.1	..
Calgary ($ 000's)	401.9	410.8	433.6	424.8	431	438.7	440.8	436.8	..
y/y % change	1.1	2.2	6.6	2.6	5.3	6.8	7.8	8.7	..
Retail Sales, SA (y/y % change)	6.8	6.9	6.4	7.3	7.8	6.2	5.5	..	..
New Motor Vehicle Sales (y/y % change)	9.6	10.5	6.7	7.0	3.4	6.5	..	..	..
NEW: Consumer Bankruptcies	7,029	5,759	3,324	434	375	385	379	..	..
y/y % change	13.8	-18.1	-18.6	-15.7	-22.5	-21.3	-16.5	..	..
Business Sector									
NEW: Rigs Drilling	286	250	233	88	115	187	239	251	230
y/y % change	30.4	-12.6	-5.0	0.3	-17.3	-5.7	7.0	9.6	1.2
Goods Exports, customs based (y/y % change)	18.4	1.8	5.6	13.3	0.2	12.9	11.9	..	..
Energy	19.2	2.1	7.2	14.7	1.3	16.1	18.6	..	..
Farm, Fishing and Intermediate Food	27.2	20.6	1.3	7.1	-16.0	5.7	-20.7	..	..
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	..	..	..	..	..	..
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	0.7	1.3	4.6	3.9	8.0	..	..
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.2	0.3	1.7	2.3	1.6	..	..
Building Permits, SA (y/y % change)	-11.8	14.7	19.3	1.2	21.6	50.4	2.6	..	..
Residential	5.2	17.7	13.0	12.3	16.6	29.1	8.7	..	..
Non-residential	20.9	-11.0	27.7	-12.0	28.5	79.7	7.2	..	..
NEW: Business Bankruptcies	264	230	87	11	9	9	7	..	..
y/y % change	-30.2	-12.9	-45.6	-60.7	-59.09	-43.8	-30.0	..	..

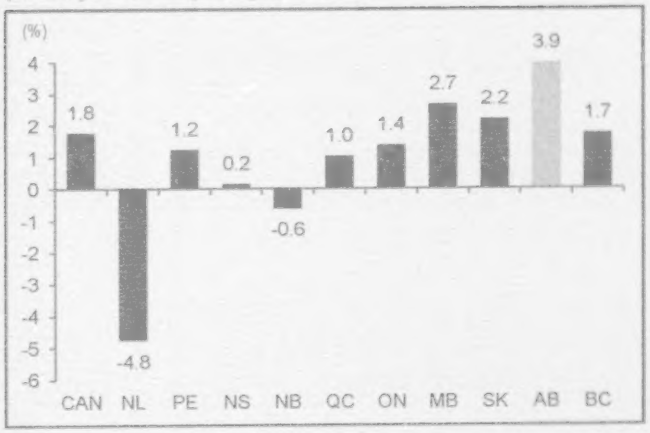
1 Quarterly, annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year to date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

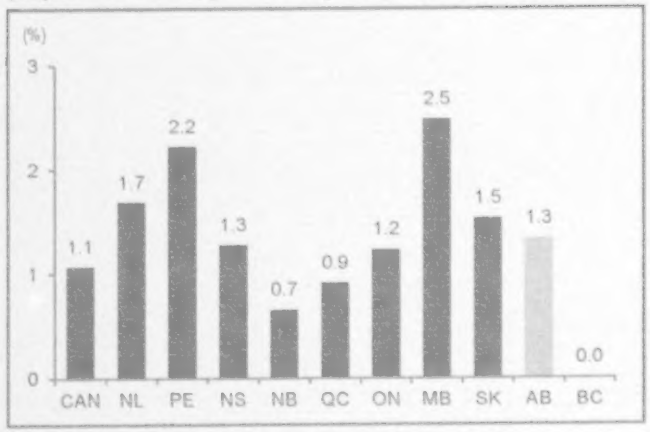
All historical data are subject to revision.

Economic Indicators by Province

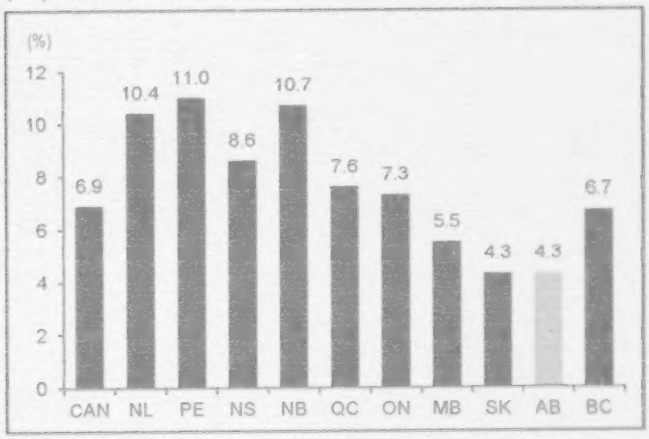
Real GDP by Industry
(2012, year-over-year growth)



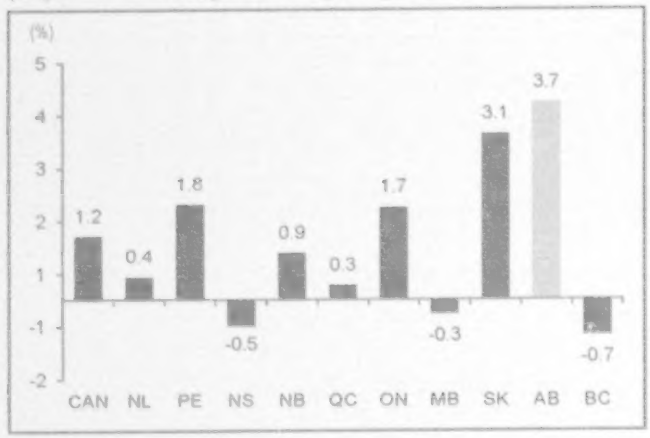
CPI Inflation
(September 2013, year-over-year growth)



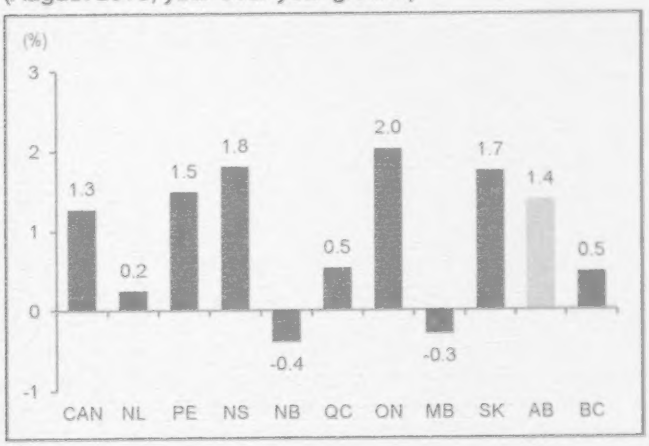
Unemployment Rate
(September 2013)



Employment
(September 2013, year-over-year growth)



Average Weekly Earnings
(August 2013, year-over-year growth)



Housing Starts
(September 2013, SAAR, year-over-year growth)